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# OIFP Civil Investigations and Actions



*Members of an OIFP Civil Auto Insurance Fraud Squad discuss an investigation.*

## **Auto Fraud**

### **Criminal Use of “Runners”**

#### ***In the Matter of Terry McSweeney***

On October 24, 2003, Terry McSweeney executed a Consent Order requiring him to pay \$15,000. McSweeney, a Newark-based chiropractor, also pled guilty to using “runners” to obtain patients to file insurance claims. McSweeney admitted at his guilty plea hearing that, between November 22, 2000 and February 14, 2001, he paid a person, who was working in an undercover capacity for the State of New Jersey, to procure patients for his Newark health care/chiropractic practice so that claims could be submitted under insurance policies issued by the Liberty Mutual Insur-

ance Company and the Parkway Insurance Company. McSweeney was admitted into the Pre-Trial Intervention Program (PTI).

#### ***In the Matter of Vincent Maione***

On June 9, 2003, Vincent Maione executed a Consent Order in the amount of \$5,000 for his part in a “runners” scheme. Maione bribed Jersey City Police Department employees to provide him with accident reports to enable “runners” to solicit accident victims for treatment at the Downtown Chiropractic Facility. Maione and others participating in the scheme were prosecuted by the Hudson County Prosecutor’s Office.

## **Fraudulent Automobile “Give-Up” Claims**

#### ***In the Matter of John B. Fagan***

On January 14, 2003, John P. Fagan executed two Consent Orders totaling \$8,000 for his part in an “owner give-up” scheme. Fagan, who was a police officer in the West Orange Police Department at the time of the offense, filed a false police report dated June 24, 1999, with the Wayne Police Department. Fagan also filed an Affidavit of Theft with his insurance company, New Jersey Manufacturers, containing false and misleading information. Although Fagan claimed that his vehicle had been stolen, Fagan voluntarily relinquished the car to other persons as part of a scheme to obtain payment from the insurer. Fagan pled guilty to criminal charges stemming from OIFP’s undercover investigation.

### ***In the Matter of Johnny Christian***

On January 24, 2003, Johnny Christian executed a Consent Order requiring him to pay \$5,000 for falsely reporting his vehicle stolen. Christian reported his 2000 Nissan Pathfinder stolen to the New York City Police 68th Precinct on June 27, 2001. Christian reported that his vehicle was parked at 368 74th Street when it was stolen. The New York City Bureau of Fire Investigation, however, had recovered the vehicle burned on June 24, 2001. Christian knowingly submitted his false and misleading statement on an Affidavit of Theft to Allstate Insurance Company.

## ***Staged Accidents***

### ***In the Matter of Widania A. Montenez***

On June 19, 2003, Widania A. Montenez executed a \$5,000 Consent Order for participating in a staged accident scheme. As a result of this scheme, 28 persons were indicted on charges that they “set-up” more than 90 “staged” automobile accidents which resulted in 24 insurance companies paying more than \$2 million in fraudulent automobile accident and personal injury claims. Montenez pled guilty to theft by deception and is awaiting sentencing.

### ***In the Matter of Humberto Diaz***

On May 31, 2003, Humberto Diaz executed a Consent Order for \$5,000 resulting from his involvement in the staged accident scheme described in the Widania Montenez case. Diaz submitted false personal injury claims to Allstate Insurance Company. Diaz pled guilty to theft by deception and was sentenced to one year probation, payment of \$5,859 in restitution and a \$200 fine.

### ***In the Matter of Emily Nieves***

On November 7, 2003, Emily Nieves executed a Consent Order requiring her to pay \$5,000 stemming from her involvement in the staged accident scheme described in the Widania Montenez case. Nieves submitted a fraudulent personal injury claim. She was admitted into PTI.

## ***Licensed Insurance Provider Fraud***

### ***In the Matter of Ronald Vaughn***

On April 22, 2003, Ronald Vaughn, a licensed insurance producer, executed a \$5,000 Consent Order. Vaughn prepared forged documents which he presented to Conseco Life Insurance Company in order to obtain an insurance policy for an individual. Vaughn forged the individual's signature on five documents which made the policy effective without the insured having been notified about the adjusted premium.

## ***Fraudulent Claim Checks***

### ***In the Matter of Christopher Nangano***

On January 10, 2003, Christopher Nangano executed a Consent Order in which he agreed to pay \$14,500. Nangano was involved in a large-scale, multiple defendant conspiracy to defraud two insurance companies out of more than \$600,000. The mastermind of the scheme, Carl Prata, of West Orange, New Jersey, was sentenced to five years in State prison for his role in devising and



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implementing the scheme. Prata concocted a scheme to access and manipulate insurance company computer systems to process and issue fraudulent claim checks to persons who were not entitled to them. The OIFP investigation determined that, over a three year period from 1998 to 2000, Prata created fraudulent computer files listing 45 individuals as having been involved in automobile accidents. As a result, the carriers' computer systems processed and issued more than 50 fraudulent auto insurance claim checks. Nangano received three fraudulent checks from Allmerica Insurance Company and Saint Paul Insurance. Nangano also solicited four others to receive fraudulent checks.

## ***In the Matter of Timothy Hanjian***

On March 25, 2003, Timothy Hanjian executed a Consent Order for \$10,000. Hanjian was involved in the Carl Prata scheme to receive fraudulent checks described in the Christopher Nangano case. Hanjian received a check from the Allmerica Insurance Company and solicited five others to receive fraudulent checks as well.

## ***In the Matter of Glenn Sisti***

On January 10, 2003, Glenn Sisti executed a Consent Order requiring him to pay \$9,500 for his participation in the Carl Prata scheme described in the Christopher Nangano case. Sisti received a fraudulent check from the Allmerica Insurance Company.

## ***Health, Life, and Disability Fraud***

### ***Provider Fraud***

#### ***In the Matter of Thomas S. Boselli***

On January 16, 2003, Thomas S. Boselli executed a Consent Order in which he is required to pay \$100,000. Boselli had been practicing chiropractic medicine for 16 years without a license. Between 1995 and 2001, he submitted 1,870 claims for 56 patients totaling more than \$125,000. Boselli was paid by the carriers in excess of \$54,000. Boselli fraudulently signed all the claim forms as a licensed chiropractor.

#### ***In the Matter of Yong Jin Kim***

On August 12, 2003, Yong Jin Kim executed a Consent Order requiring him to pay \$100,000 for practicing acupuncture without a license. On July 14, 1997, Kim forged the signature of his father, Ki Min Kim, who had died in October of 1995, in order to renew his father's license to practice acupuncture. Kim submitted claims to insurance carriers using the name and license number of his deceased father. Kim was prosecuted for health care claims fraud by the Ocean County Prosecutor's Office.

#### ***In the Matter of Robert Napoliello, D.M.D.***

On April 8, 2003, Dr. Robert Napoliello executed a \$5,000 Consent Order for billing for services not rendered. Napoliello, a dentist, initiated but did not complete the work on a patient. Napoliello entered into a \$1,500 Administrative Consent Order with the Dental Board and paid \$1,500 in restitution to HCA Insurance Company.

***In the Matter of  
Myrna L. Soriano***

On September 26, 2003, Dr. Myrna Soriano executed a Consent Order for \$14,000 for submitting claims for treatment she rendered to her own son. Soriano altered the claims documents, replacing her name with the name of another physician. Soriano also entered into a \$10,000 administrative Consent Order with the Enforcement Bureau of the New Jersey Division of Consumer Affairs for her actions.

***In the Matter of  
Anthony Spano***

On July 7, 2003, Anthony Spano, a physical therapist for Circle of Health Clinic located in Hillside, New Jersey, executed a Consent Order for \$5,000 for knowingly submitting fraudulent health care claims bearing dates between August 31, 1999, and March 1, 2000, to Chubb & Son. The claims contained false and misleading information, specifically billing for ten dates of service, when, in fact, the services were never rendered.

***False Health Care Claims***

***In the Matter of  
Patricia and Paul Sullivan***

On June 9, 2003, Paul and Patricia Sullivan executed a Consent Order to pay \$25,000 stemming from their participation in three schemes to defraud both MetLife Insurance Company and Blue Cross/Blue Shield out of \$48,380. The three schemes included altering co-pays on prescription receipts, seeking reimbursement for full costs when costs were not actually incurred, and seeking reimbursement for full costs of drugs when the drugs were never actually dispensed.



***In the Matter of  
Monica L. Cooper***

On March 26, 2003, Monica L. Cooper executed a \$5,000 Consent Order for forging prescriptions for the controlled substances, Oxycontin and Percocet, and presenting them to CVS Pharmacy. CVS unwittingly submitted the forged prescriptions for reimbursement to Oxford Health Plans under Cooper's prescription drug benefits. Cooper had previously been convicted of obtaining a controlled dangerous substance by fraud.

*Civil Investigators with the OIFP  
Property and Casualty Squad  
conduct a case review meeting.*



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## ***In the Matter of Cassandra Hankins and Jay Earl Hankins***

On June 9, 2003, Cassandra and Jay Earl Hankins executed Consent Orders in the amount of \$5,000 each for filing false insurance claims. Jay Earl Hankins took his ex-wife Paulette's insurance card and gave it to his fiancée, Cassandra Hankins, who presented herself as Paulette Hankins, in order to obtain an abortion and dental work. Four phony claims were submitted to MetLife Insurance Company totaling \$1,596.

## ***Fraudulent Disability Claims***

### ***In the Matter of John W. Currie***

On June 19, 2003, John W. Currie executed a Consent Order to pay \$10,000 for repeatedly misrepresenting his inability to work. As a result of the misrepresentations, Currie received \$38,169 in disability benefits to which he was not entitled. Surveillance and employment verification by Unum Provident revealed that Currie was, in fact, employed full time. Currie's claim was closed and Currie reimbursed the carrier for the full amount of benefits he wrongfully obtained.

## ***Life Insurance Fraud***

### ***In the Matter of Peter Pascarella, Jr.***

On February 4, 2003, Peter Pascarella, Jr., executed a \$12,500 Consent Order. Pascarella, who was the owner of Associated Consulting Group, filed several fictitious life insurance applications with the Equitable Life Insurance Company.

### ***In the Matter of L.C. Thomas***

On February 4, 2003, L.C. Thomas executed a \$5,000 Consent Order for his role in fraudulently obtaining more than \$1.2 million in life insurance policies and attempting to collect the benefits.

Thomas, a New Jersey licensed insurance agent formerly doing business in Teaneck, admitted that he assisted William Conyers, a licensed funeral director who owned and operated the Conyers Funeral Home in Hackensack, and Conyers' wife, Mollie, vice-president of Conyers Funeral Home, in falsifying several life insurance applications submitted to the American National Insurance Company and the Lincoln Benefit Life Insurance Company to obtain life insurance policies. By concealing the fact that the insured persons had pre-existing medical conditions such as the AIDS virus, Thomas and the Conyerses intentionally deceived the insurance companies into issuing life insurance policies that the companies would not ordinarily have issued given the medical conditions of the persons whose lives were insured. In addition, Thomas and the Conyerses falsified the life insurance applications by naming persons, including members of the Conyers family, as beneficiaries when they had no insurable interest in the lives of the insured persons.

L.C. Thomas was convicted of attempted theft by deception and was sentenced to probation with 500 hours of community service. The Conyerses were convicted of various offenses following a jury trial in Bergen County. William Conyers was sentenced to 11 years in State prison and fined \$10,000. Mollie Conyers was sentenced to two years probation conditioned upon serving 364 days in the county jail. William Conyers was referred to the licensing board for appropriate licensing sanctions.

## ***Property and Casualty Fraud***

### ***False Homeowners Claims***

#### ***In the Matter of Peter Mangiola***

On July 23, 2003, Peter Mangiola executed a Consent Order requiring him to pay \$10,000 for submitting false receipts in two homeowners claims. Mangiola submitted two false receipts from Bertolino's Pharmacy as part of his claims. On the first claim submitted to General Accident Insurance Company, Mangiola was paid \$9,769. On his second claim to Hanover Insurance Company, Mangiola attempted to receive \$12,358.

## ***False Commercial Claims***

#### ***In the Matter of Julio N. Funicello***

On February 4, 2003, Julio N. Funicello executed a Consent Order for \$7,500 for knowingly conspiring with Jonathan Doscher to deliberately submit false statements to the Ramsey Police Department concerning the purported theft of \$13,000 cash from his place of business on April 10, 2001. Subsequently, a claim was presented to Selective Way Insurance, in an attempt to collect monies for this purported theft.

#### ***In the Matter of Vincent Zappulla***

On May 21, 2003, Vincent Zappulla executed a Consent Order for \$5,000 for knowingly providing false and misleading information to State Farm Insurance Company. Zappulla directed a contractor to draft a letter to State Farm stating that the total cost of restoration to a business, Laundry Time Incorporated, as a result of fire damage was \$52,385. The cost of the restoration was actually substantially less.